

**IDAHO REAL ESTATE APPRAISER BOARD**  
**Bureau of Occupational Licenses**  
700 West State Street, P.O. Box 83720  
Boise, ID 83720-0063

**Board Meeting Minutes of 2/9/2011**

**BOARD MEMBERS PRESENT:** Brad Janoush - Chair  
Travis Klundt  
Paul J. Morgan  
Kenneth W. Nuhn  
Jack R. Van Wyk

**BUREAU STAFF:** Dawn Hall, Administrative Support Manager  
Lori Peel, Investigative Unit Manager  
Kathy Takasugi, Deputy Attorney General  
Emily Mac Master, Deputy Attorney General  
Steve Olson, Deputy Attorney General  
Karl Klein, Administrative Attorney  
Maria Brown, Technical Records Specialist

**OTHERS PRESENT:** Jenny Tidwell, ASC Policy Manager  
Kristi Klamet, ASC Policy Manager  
Denise Graves, ASC Deputy Executive Director  
Jason Gerhard

The meeting was called to order at 8:30 AM MST by Brad Janoush.

**APPROVAL OF MINUTES**

The Board reviewed the 12/17/2010 and 1/24/2011 minutes.

It was moved by Mr. Van Wyk to approve the 12/17/2010 and 1/24/2011 minutes as written. Seconded by Mr. Nuhn, motion carried.

**LEGISLATIVE REPORT**

Ms. Hall gave the legislative update. Staff will notify the Board when its bill will be presented to Legislature.

## **FINANCIAL REPORT**

Ms. Hall gave the financial report, which indicates a cash balance of (\$133,606.03) as of 1/31/2011.

## **FORMAL DISCIPLINARY ACTION**

Ms. McMasters presented a memorandum for case REA-2010-18.

Mr. Janoush recused himself from discussion and voting on case REA-2010-18.

Mr. Nuhn recused himself from discussion and voting on case REA-2010-18.

It was moved by Mr. Klundt to authorize closure for case REA-2010-18.  
Seconded by Mr. Van Wyk, motion carried.

Ms. Takasugi addressed the Board regarding the meeting that she attended with the Appraisal Subcommittee. She stated that her supervisor, Steve Olson, could not attend the Board meeting due to a scheduling conflict, but wanted to assure the Board that the Office of the Attorney General will devote the resources and take the necessary steps so expedite the real estate appraiser cases.

Ms. Takasugi presented a memorandum for case REA-2008-72.

Mr. Morgan recused himself from discussion and voting on case REA-2008-72.

It was moved by Mr. Van Wyk to authorize closure for case REA-2008-72 with a warning letter sent to the respondent. Seconded by Mr. Nuhn, motion carried.

Ms. Takasugi presented a memorandum for case REA-2008-76.

Mr. Morgan recused himself from discussion and voting on case REA-2008-76.

It was moved by Mr. Van Wyk to authorize closure for case REA-2008-76 with a warning letter sent to the respondent. Seconded by Mr. Klundt, motion carried.

Ms. Takasugi presented a memorandum for case REA-2008-117.

After review, the Board agreed with the recommendations of the Office of the Attorney General.

Ms. Takasugi presented a memorandum for case REA-2010-27.

After review, the Board presented its recommendations to the Office of the Attorney General.

Ms. Takasugi presented a memorandum for case REA-2011-5.

After review, the Board presented its recommendations to the Office of the Attorney General.

Ms. Takasugi presented a memorandum for case REA-2011-6.

It was moved by Mr. Van Wyk to authorize closure for case REA-2011-6 with a warning letter sent to the respondent. Seconded by Mr. Nuhn, motion carried.

Ms. Takasugi presented a memorandum for case REA-2011-8.

Mr. Morgan recused himself from discussion and voting on case REA-2011-8.

After review, the Board presented its recommendations to the Office of the Attorney General.

Ms. Takasugi presented case REA-2010-10 for discussion and determination of Final Order.

It was moved by Mr. Van Wyk to adopt the findings of fact, conclusions of law, and recommendations of the final order for case REA-2010-10 as found by the hearing officer and authorize the Chair to sign on the Board's behalf. Seconded by Mr. Morgan, motion carried.

Ms. Takasugi presented the Board a Stipulation and Consent Order for case REA-2010-15.

It was moved by Mr. Van Wyk to accept the Consent Order for case REA-2010-15 and authorize the Board Chair to sign on behalf of the Board. Seconded by Mr. Morgan, motion carried.

Ms. Takasugi presented the Board a Stipulation and Consent Order for case REA-2010-31.

It was moved by Mr. Van Wyk to accept the Consent Order for case REA-2010-31 and authorize the Board Chair to sign on behalf of the Board. Seconded by Mr. Morgan, motion carried.

Ms. Takasugi presented the Board a Stipulation and Consent Order for case REA-2011-4.

It was moved by Mr. Van Wyk to accept the Consent Order for case REA-2011-4 and authorize the Board Chair to sign on behalf of the Board. Seconded by Mr. Morgan, motion carried.

### **INVESTIGATIVE REPORT**

Ms. Peel presented the investigative report.

For Board Determination:

I-REA-2009-36 C alleged R made errors in preparing a report, which errors significantly decreased the market value of the property. Cognizant Member Morgan reviewed the file and found that while one of the comps may not have been the best selection, it was still a sale and should have been considered, and that there was no support to make the adjustments that C alleged should have been made to sales 1 and 2. The Cognizant Member stated that the indicated value by sales comparison was clear, and there do not appear to be any significant USPAP violations. Based on the Cognizant Member's review, IBOL recommends that the Board authorize closure.

Case number I-REA-2009-36: Following review, it was moved by Mr. Van Wyk to accept the Bureau's recommendation for closure. Seconded by Mr. Nuhn, motion carried.

I-REA-2011-8 R self-disclosed a sanction against his license by FHA. Cognizant Member Morgan reviewed the file and found that R complied with FHA's requirements and received additional education, and that there were no significant USPAP violations but mainly FHA requirements at issue. The Cognizant Member recommended that the file be closed with a letter to R regarding complying with FHA requirements.

Case number I-REA-2011-8: Following review, it was moved by Mr. Van Wyk to accept the Bureau's recommendation for closure with a warning letter sent to the respondent. Seconded by Mr. Nuhn, motion carried.

I-REA-2011-16 C alleged R's appraisal contained numerous errors and that R's estimated value was inappropriate, causing C's loan to be rejected. After the investigator obtained information from R, Cognizant Member Nuhn reviewed the file and recommended that the file be closed. Based on the Cognizant Member's review, IBOL recommends that the Board authorize closure.

Case number I-REA-2011-16: Following review, it was moved by Mr. Van Wyk to accept the Bureau's recommendation for closure. Seconded by Mr. Morgan, motion carried.

I-REA-2011-20 C alleged R's appraisal report contained many errors which caused the property to be overvalued. Cognizant Member Morgan reviewed the file and found that the complaint is primarily over value. The subject was built in 1895 and three of the sales used were approx. 100 years old. The Cognizant Member stated that the land value was not supported but the cost approach is of very little value on a home of this age. The Cognizant Member stated that while he may not agree with all of the adjustments, he found that there were no significant USPAP violations. Based on the Cognizant Member's review, IBOL recommends that the Board authorize closure.

Case number I-REA-2011-20: Following review, it was moved by Mr. Van Wyk to accept the Bureau's recommendation for closure. Seconded by Mr. Nuhn, motion carried.

I-REA-2011-21 C alleged R was incompetent and unprofessional. Cognizant Member Morgan reviewed the file and found that the case was a value dispute and, to some extent, a personality complaint. The Cognizant Member found no USPAP violations; therefore, IBOL recommends that the Board authorize closure.

Case number I-REA-2011-21: Following review, it was moved by Mr. Van Wyk to accept the Bureau's recommendation for closure. Seconded by Mr. Klundt, motion carried.

I-REA-2011-22 C alleged R failed to use correct comps when preparing an appraisal. Cognizant Member Morgan reviewed the file and found that C's complaint was mainly over value. The Cognizant Member stated that although there was no support for the \$20,000 adjustment for a guest house that was finished above the garage, it was reasonable and there did not appear to be any significant USPAP violations. The Cognizant Member stated that overall the adjustments and comparables sales appear reasonable and recommended that the file be closed.

Case number I-REA-2011-22: Following review, it was moved by Mr. Van Wyk to accept the Bureau's recommendation for closure. Seconded by Mr. Nuhn, motion carried.

## **PROBATION REPORT**

Ms. Peel presented the probation report.

The Board discussed a proposed law that would allow it to charge a fee to licensees who are on probation. This law would help the Board to recoup the costs involved in monitoring licensees on probation. The Board asked that this item be added to its to do list.

Ms. Peel presented a petition to extend the time period for compliance of the final order in case REA-2008-38.

Mr. Klundt recused himself from discussion and voting on case REA-2008-38.

It was moved by Mr. Morgan to approve the request to extend the time period for compliance of the final order in case REA-2008-38. Seconded by Mr. Nuhn, motion carried.

Ms. Peel presented the Board a diagram of the disciplinary process.

## **TO DO LIST**

The Board reviewed its to do list.

## **PRO-REVIEWER GUIDELINES**

The Board discussed pro-reviewer guidelines. Ms. Peel presented the Board with sample Standard 3 review that when requested, investigators provide pro reviewers.

## **CORRESPONDENCE**

The Board reviewed a letter from Mr. Gerald O. Porter.

## **EXECUTIVE SESSION**

It was moved by Mr. Morgan that the Board go into executive session under Idaho Code § 67-2345(1) (d) to consider records that are exempt from disclosure under the Idaho Public Records Law. The purpose of the executive session was to consider license application materials. Seconded by Mr. Nuhn. The vote was: Mr. Klundt, aye; Mr. Janoush, aye; Mr. Morgan, aye; and Mr. Van Wyk, aye. Motion carried.

It was moved by Mr. Klundt that the Board enter regular session. Seconded by Mr. Van Wyk. The vote was: Mr. Klundt, aye; Mr. Janoush, aye; Mr. Morgan, aye; and Mr. Van Wyk, aye. Motion carried.

The Board took a vote on Mr. Porter's request.

The vote was Mr. Nuhn, yes; Mr. Van Wyk, yes; Mr. Klundt, yes; Mr. Morgan, no. The request was approved.

## **CORRESPONDENCE**

The Board reviewed a letter from Mr. Matthew Burton.

It was moved by Mr. Van Wyk to deny the request to allow Mr. Burton's 15 hour USPAP course that was taken over five years ago. Seconded by Mr. Morgan, motion carried.

## **NEW BUSINESS**

The Board discussed sending Ms. Takasugi to a USPAP course.

It was moved by Mr. Van Wyk to pay to send Ms. Takasugi and one additional staff member from the Office of the Attorney General who works on real estate appraiser cases to attend a local 15 hour USPAP course. Seconded by Mr. Morgan, motion carried.

## **BROKER PRICE OPINION**

Ms. Hall presented the Board with a bill, sponsored by the Real Estate Commission on broker price opinion. The Board asked staff to notify members when the bill is going to committee.

## **APPRAISAL SUBCOMMITTEE**

The Board discussed the correspondence from the Appraisal Subcommittee regarding a national hotline and the supplement to the national registry fee.

## **APPRAISAL FOUNDATION**

The Board reviewed exposure drafts for the following items: proposed revisions to the Future Real Property Qualifications Criteria and proposed changes for the 2012-2013 edition of the Uniforms Standards of Professional Appraisal Practice. The Board members will individually comment on the drafts and send their comments to the Board secretary to add to the Board file.

## **TRANSACTION VALUE**

The Board discussed the definition of transaction value. The Board has taken the position that in non-federally related transactions, if the appraised value is over one million dollars, a certified residential appraiser is required.

## **ENDORSEMENT VS. RECIPROCITY**

The Board discussed licensure by endorsement for appraisers who are currently licensed in another jurisdiction and are applying for licensure in the State of Idaho. The Board would like to add this item to its to do list as a proposed law change removing licensure by reciprocity and adding licensure by endorsement. In the meantime, the Board directed Ms. Brown to draft a letter to

send to the other jurisdictions asking if that state meets the minimum requirements set by the Appraisers Qualifications Board. If the jurisdiction indicates that it does meet the minimum requirements set by the Appraisers Qualifications Board, reciprocity would exist based on the current law. The letter is to be forwarded to the Board's counsel and Chair for review and approval prior to sending it out.

## **ASSOCIATION OF APPRAISER REGULATORY OFFICIALS**

The Board reviewed the AARO dues and discussed the upcoming spring AARO conference.

It was moved by Mr. Morgan to pay the AARO dues and to send Ms. Brown and one Board member to the upcoming AARO conference and pay their registration and expenses. Seconded by Mr. Nuhn, motion carried.

## **LICENSURE COUNT**

The Board discussed the current licensee count.

## **EXECUTIVE SESSION**

It was moved by Mr. Van Wyk that the Board go into executive session under Idaho Code § 67-2345(1) (d) to consider records that are exempt from disclosure under the Idaho Public Records Law. The purpose of the executive session was to consider license application materials. Seconded by Mr. Nuhn. The vote was: Mr. Klundt, aye; Mr. Janoush, aye; Mr. Morgan, aye; and Mr. Van Wyk, aye. Motion carried.

It was moved by Mr. Nuhn that the Board enter regular session. Seconded by Mr. Van Wyk. The vote was: Mr. Klundt, aye; Mr. Janoush, aye; Mr. Morgan, aye; and Mr. Van Wyk, aye. Motion carried.

## **CE COURSES**

The Board approved the following provider course applications:

### **APPRAISAL INSTITUTE**

ONLINE PROFESSIONALS GUIDE TO THE FANNIE MAE 2-4 UNIT FORM  
1025 - 10 - CE

APPRAISAL UNIVERSITY

RETAIL CENTER ANALYSIS FOR FINANCING - 7 - CE



ASFMRA

APPRAISAL REVIEW UNDER USPAP - 22 - CE  
BASIC APPRAISAL PROCEDURES - 30 - PL  
BASIC APPRAISAL PROCEDURES - 28 - CE

CENGAGE LEARNING INC (FORMERLY CAREER WEBSCHOOL)

STATISTICS, MODELING AND FINANCE - 14 - CE  
ADVANCED RESIDENTIAL APPLICATIONS & CASE STUDIES - 14 - CE

IAPC - INTERNATIONAL ACADEMY OF PROFESSIONAL CAREERS  
(FORMERLY THE CHICOPEE GROUP & FORMERLY IREAS)

COMPLAINT WORKFILE PROF & TECH COMPLIANCE WITH USPAP IX - 4 - CE  
FAIR HOUSING CIVIL RIGHTS - PROF & TECH COMP WITH USPAP VIII - 4 - CE  
PREPARING A COMPLAINT & DEFENSIBLE APPRAISAL REVIEW - 8 - CE  
THE EFFECTS OF THE NEW FEDERAL APPRAISAL LAWS - 7 - CE  
REAL ESTATE FINANCE & THE APPRAISER - 8 - CE  
INCOME APPROACH REVISITED - 7 - CE  
INCOME APPROACH REVISITED - 8 - CE

LIA ADMINISTRATORS & INSURANCE SERVICES

LOSS PREVENTION PROGRAM FOR REAL ESTATE APPRAISERS - 4 - CE

MCKISSOK LP

APPRAISING MANUFACTURED HOMES - 7 - CE

SPOKANE- KOOTENAI COUNTY REAL ESTATE RESEARCH COMM

2011 REAL ESTATE MARKET FORUM - 5 - CE

THE COLUMBIA INSTITUTE

FANNIE MAE GUIDE UPDATE NO 146 - 8 - CE

**APPLICATIONS**

Approved for Exam

It was moved by Mr. Klundt to approve the following applicants for examination:

DUNCAN SARAH E                      LRA  
GERHARD JASON MICHAEL            LRA

Seconded by Mr. Nuhn, motion carried.

Approved for a Temporary Permit

It was moved by Mr. Klundt to approve the following applicants for a temporary permit:

COUP BRIAN D                      TCGA

Seconded by Mr. Nuhn, motion carried.

### **APPRAISAL SUBCOMMITTEE**

Ms. Tidwell introduced Ms. Klamet and Ms. Graves and explained the history and role of the Appraisal Subcommittee. She stated that every five years the minimum criteria for appraisers' change and that USPAP is changed every two years. She explained that every two years the Appraisal Subcommittee conducts a review of a state's licensing program for appraisers to ensure compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. The Board will be receiving a letter from the Appraisal Subcommittee outlining its findings during the review. The letter will include concern with the Board's limited resources, that there are disciplinary cases that are taking over a year to resolve, and that there are missing disciplinary cases on the national registry. She stated that the following items looked great: temporary practice, continuing education audits, reciprocity, application review, and education. She stated that there are some changes that need to be adopted in the Board's laws and rules that have been discussed with staff.

Mr. Olsen stated that the Office of the Attorney General and the Bureau are working jointly to address the issues raised regarding the length of time for resolution of disciplinary cases. An example is the recent implementation of two cognizant members. He explained that the staff size at the Office of the Attorney General has been reduced by approximately 16% in the last two fiscal years. The Office of the Attorney General is working toward meeting the policy statement requiring that cases are resolved within a year.

Ms. Tidwell stated that the national registry fee increase will go into effect on January 1, 2012. She stated that Ms. Brown had sent her an e-mail regarding this increase in August of 2010 explaining the process for increasing the fee in the State of Idaho and asking if this increase would take effect prior to the spring of 2012. The earliest Idaho can implement this change is the end of the 2012 Legislature in March or April of 2012. Ms. Tidwell suggested that the Board write a letter to the Appraisal Subcommittee asking for an extension for the fee

increase and include a copy of the e-mail from Ms. Brown. Ms. Tidwell stated that Ms. Brown had asked for a list of the states that have similar programs and are meeting the policy statement requiring that cases are resolved within a year. She will compile a list and forward it to Ms. Brown. Ms. Tidwell presented the Board with a copy of the Dodd Frank Act.

**NEXT MEETING** 4/18/2011

## **ADJOURNMENT**

It was moved by Mr. Nuhn that the meeting adjourn at 3:40 PM MDT.  
Seconded by Mr. Morgan, motion carried.